

LUCAS COUNTY, OHIO BOARD OF COMMISSIONERS	NUMBER: 19a	PAGE: 1 OF 3
TITLE: CAPITAL IMPROVEMENT BUDGETING POLICY	PERSONNEL ADMINISTRATIVE	RESOLUTION NO: 02-842
EFFECTIVE DATE: June 20, 2002	TYPE: POLICY X PROCEDURE	SUPERSEDES: POLICY # 19 PROCEDURE #

I. PURPOSE

This policy establishes a standardized procedure for submitting capital improvement requests and establishing a process to determine the allocation of available capital improvement dollars between competing demands via a Capital Improvement Plan. This policy further establishes a Capital Improvement Program Committee that is advisory to the Board of County Commissioners which will be charged with reviewing and recommending priorities for all general fund supported capital improvement requests. This policy also establishes a quarterly review process for approved capital projects.

II. POLICY

It is the policy of the Board of County Commissioners to allocate 8% of the general fund for capital improvement dollars annually and to maintain 8% of the general fund for a capital improvement reserve specifically designated for economic downturns.

III. DEFINITIONS

* Capital Improvement Budget: Capital projects approved and funded through the Capital Improvement Program. The budget is composed of projects that are over \$50,000.00.

* Facilities Capital Improvement Budget: Projects submitted on the appropriate forms that are between \$25,000.00 and \$50,000.00.

* Capital Improvement Program (CIP): The schedule of capital improvement projects which encompasses all funding sources and all organizational units of the county government.

* Capital Project: The largely one-time cost for acquisition, construction, improvement, replacement, or renovation of land, structures and improvements is considered a capital project. In addition, equipment is considered a capital project if it is \$25,000.00 or more in cost, except that rolling-stock equipment is not considered a capital project regardless of cost. Feasibility studies for capital projects may be considered capital projects in their own right.

* CIP Committee: A committee consisting of the County Administrator, and/or designee Assistant Administrator(s), Director of the Office of Management and Budget, Facilities Manager, Director of Risk Management, and the ADA Coordinator which evaluates the general project requests according to specific criteria and submits its recommended list of projects to the Board of County Commissioners.

* Capital Improvement Plan: A flexible document to prioritize, rank and determine the annual allocation of available capital improvement dollars over a five year period.

IV. RESPONSIBILITIES

* Agency heads, department heads, and elected officials should coordinate directly with the Facilities Department (where applicable) as early as possible in the planning cycle to develop project alternatives and cost estimates.

* All capital requests related to new buildings, facility structural improvements or space planning must be coordinated with Facilities prior to submission to be considered by the committee.

* The Office of Management and Budget maintains the Capital Improvement Plan and distributes Capital Improvement Request forms, provides staff assistance to the CIP Committee as required, and provides fiscal expertise to the Committee and performs cost benefit analysis as necessary.

V. PROCEDURE

1. General Fund supported, as well as non-General Fund, Capital Improvement requests shall be submitted annually to the Office of Management and Budget as an addendum to the department, agency or elected official's budget submissions. The department, agency or elected official must complete a Capital Improvement Request Form as provided by the Office of Management and Budget.

2. The Office of Management and Budget will consolidate and review capital project requests received (over \$50,000 only) and provide them to the County Administrator or designee. The County Administrator or designee shall review the requests and convene the Capital Improvement Program Committee in October of each year for the following year's budget. The County Administrator or designee shall chair the Committee.

Note: The Office of Management and Budget will consolidate and review with the Facilities Department all requests that are between \$25,000.00 and \$50,000.00. Those that are approved will be incorporated into the Facilities Department's operating budget.

3. The Office of Management and Budget shall receive the recommendations of the Committee and prepare the proposed Capital Improvement Program Budget for presentation to the Board of County Commissioners based on the Committee's recommendations.

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4. The annual Capital Improvement Budget will be reviewed by the Board of County Commissioners and once approved, made part of the adopted annual budget.

5. **QUARTERLY REVIEW:** The County Administrator or designee shall convene the CIP Committee every quarter of the budget year to review the progress made on all approved projects. The agency head, department head, or elected official shall submit a quarterly report on approved capital projects to the Office of Management and Budget on a form approved by the Office of Management and Budget. The quarterly reports are due no later than the first business day of the following quarter.

The CIP Committee shall review quarterly reports and determine if appreciable progress has been made on approved projects. The Committee shall also review the project budget to determine if any budget adjustments should be recommended or if the project should be terminated due to excess costs. If any approved project is determined by the CIP Committee to have not made appreciable progress in two consecutive quarters, the County Administrator or designee shall make a recommendation to the Board of County Commissioners on the continued funding of that project.

Unfunded projects must be updated and resubmitted annually to the Capital Improvement Committee to compete for prioritization. Rankings may move up or down based on changing needs assessment and additional project information. Approved multi-year project funding will be carried over from year to year.

APPROVED BY:	DATE:
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